

## SENIORS NEED MEDICARE NOT MAYBE CARE -- (House of Representatives - January 27, 2003)

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The SPEAKER pro tempore (Mr. *Boozman*). Under the Speaker's announced policy of January 7, 2003, the gentleman from Maine (Mr. *Allen*) is

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recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Mr. Speaker, I rise tonight like so many Americans in anticipation of what the President may say to this Congress tomorrow. These are difficult times for this country. We face extraordinary challenges abroad in grappling with the war on terrorism and also with the proposed invasion of Iraq, and we face daunting challenges here at home. Our economy is not doing well. There is no question that the jobs have been declining. We have fewer jobs in this country than we had 2 years ago. In many parts of this country people are suffering. Many States across this country are finding that their budgets are completely out of whack. They are struggling both with rising expenses, particularly with Medicaid, as the economy suffers and declining revenues, declining revenues from the Federal Government and also declining revenues at home in their own State funds.

So in this context this is an appropriate time to talk about what the President may say tomorrow night and also to give a sense of what we believe as Democrats are some of the issues that lie ahead.

I am going to begin tonight by discussing the topic of health care. There have been a number of articles in the press anticipating what the President may say about Medicare. In particular, those articles suggest that tomorrow night the President will unveil a Medicare reform proposal and that that proposal will basically seek to privatize more of Medicare; that is, it will seek to put more of the people in this country who are now getting traditional fee-for-service Medicare into the hands of insurance companies, and those insurance companies would take over the provision of health insurance from Medicare.

Now, one of the things that is very clear is that when Medicare gets turned over to insurance companies, as it has in so many States with what is called Medicare+Choice, that the world changes; and some of those changes, a number of those changes, are not to the advantage of seniors. Let me give you a few examples from the program called Medicare+Choice, which we have had in this country now since the 1997 act.

What has happened in those cases where insurance, private insurance companies have taken over Medicare and provided insurance is that every year the benefits can change. That is, every year the insurance company can decide, for example, that though we were providing prescription drug coverage before this year, we are going to have a lower cap, or we will have a higher copay, and the other part of that is every year the premiums can change.

In many places in this country when Medicare+Choice first began, prescription drugs were free. There was no added cost for prescription drugs; but over the years that is changed.

Now, the other third component that changes is that if a company is not making enough money, if an insurance company is not making enough money on Medicare+Choice, on a managed care plan for seniors, then what happens is the company can simply pull up and leave the particular area. In fact, in

most counties in this country there is no opportunity for private insurance to cover people on Medicare, to be the primary coverage. There always are Medigap policies that many seniors take advantage of, but those policies provide very few benefits for their costs, so most seniors do not sign up for them.

So now the President is saying what seniors need in this country is more of this private insurance under Medicare. Well, let us think about that. If you have private insurance under Medicare, taking over Medicare for many seniors across this country, here is what happens: Any given year the premiums for that policy can change. The benefits for that policy can change. In short, maybe you get coverage one year, and maybe you do not. Maybe some States get covered, and maybe they do not. Maybe the premiums, almost certainly the premiums change every year. The bottom line is maybe yes, maybe no. Maybe you get coverage, maybe you do not. Maybe in some States, maybe not in others. Maybe in some years, maybe not in others.

The President is trying to turn Medicare into ``maybe care" and seniors need to say, ``Maybe not." In fact, definitely not. Because if the President is able to turn Medicare into ``maybe care," then our seniors are faced with a kind of uncertainty, instability, unpredictability that they have do not have when they sign up, when they get ordinary Medicare.

But the President will propose that this is reform, this is something that would be good for all Americans. I suggest we need to take a different look at what he proposes.

There is also one other topic I want to address before turning it over to my distinguished friend from

Oregon (Mr. *Blumenauer*), and that is the proposal that you can read about in the papers today, some of them, that the President is likely to propose in the near future that small businesses be able to join national association health plans.

Now, a lot of small business organizations are saying, this is a good deal, this is what we need to do. And who can blame them, because I do not know a small business in my home State of Maine that is not desperate about the rapidly rising cost of health insurance. In fact, in my home State of Maine, health insurance costs tend to go up about 30 to 50 percent for small businesses in each of the last 3 years, and we have to do something about it.

But the President, from what we hear, is likely to roll out a plan for association health plans. These plans would bypass State regulation, so a lot of the protections that are built into your State laws to protect consumers against insurance companies that are always trying to skim off the healthy people and not take the people who are not as healthy, a lot of the State regulatory apparatus would be gone, and consumers would be left at risk.

But here is the important point: The important point is that there are now about 41 million people in this country who do not have health insurance, and the Congressional Budget Office has estimated under the President's proposed plan that maybe 4.6 million people would sign up for these association health plans, and as I said, who can blame them? But 4.3 million of those folks already have health insurance. In other words, here is another plan to be rolled out by the administration and by the Republicans in Congress, and it will cover about 300,000 of the 41 million Americans who do not have health insurance today, and they will call that progress, but it is not.

[Time: 20:00]

In short, we have to look at the health care proposals that we expect to be contained in the President's speech tomorrow night; and so far, from what we have heard, they are a bad deal for America's seniors and a bad deal for America's small businessmen.

I now yield to the gentleman from Oregon (Mr. *Blumenauer*).

Mr. BLUMENAUER. Mr. Speaker, I appreciate my colleague helping shape the context for the important discussions that we will be having in the course of the week.

This is a very important time of the year. This is the time where the President of the United States has an opportunity to give his or her vision for our country. It is a unique opportunity. It is a time, particularly at the beginning of a new Congress, when we are coming together with fresh optimism and enthusiasm. People are just off the campaign trail. Hopefully, for a while, we can concentrate on the people's business.

There have been times when the President of the United States has come before this Chamber rallying the American people. I was one, Mr. Speaker, who was very impressed in the aftermath of September 11 with the challenge that was faced by our then new President, President Bush, how he came forward at a time of great tension and anxiety in this country, having been subjected to an unprecedented attack on our shore, and I thought that he rose to the occasion. I thought his message was direct, was forthright; and I noted in this Chamber that men and women in both parties came forward, making it clear that we were united in terms of dealing with our responsibility to the American people, working together.

I contrast what happened immediately in the aftermath of September 11 with what happened in last year's State of the Union and thinking about what has happened in the year since then.

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We had an unfortunate notion dealing with the ``axis of evil," where we had an unfortunate, some would say reckless, rhetorical flourish that has sort of lumped together three of the most vexing problems we have in the foreign policy arena with North Korea, Iraq and Iran; and unfortunately, in the course of the last year, we have seen increasing problems because of an inability on the part of the administration to distinguish and have a clear and thoughtful approach to all three of those problems.

We have had a situation dealing with the issue of international terror, which is and remains the greatest threat to American security; and frankly, I think all of us in our heart of hearts has to admit that, as a result of the last year, America is no safer as it relates to terrorism, and in fact, there are questions and ambiguity. We have this great amorphous security agency, and we really have not addressed vexing problems between a lack of coordination between the CIA and the FBI. Now we have got a third entity with more questions than answers.

There was not a call in the last State of the Union asking Americans to step forward. There was not a sense of shared sacrifice and urgency. In the course of the last year, we have been dealing, frankly, with sort of misdirected economic policies, and we will be talking about those this evening.

I see our colleague, the gentleman from Washington (Mr. *McDermott*), from the Committee on Ways and Means who I think has something to say about it. We have the gentleman from New York (Mr. *Owens*), who has some significant information to share about the impact as it has to deal with poor people. The gentlewoman from California (Ms. *Woolsey*) can deal with impacts on

children.

We will be dealing with the economy here in the course of our discussion this evening, but I think it important to note that we have got the economy, we have not addressed it; and in fact, the proposals that have been slowly leaked out and trial balloons that have been floated on some of the President's speeches do not give me any cause for comfort as I look at the problem of a State like Oregon, which has the highest unemployment rate in the country.

Nothing that has been proposed to this point is going to do anything to put these people back to work. It is not going to deal with investments in infrastructure and cleaning up the environment that could make a huge difference tomorrow, and there is not anything that speaks to the concerns and the problems of the vast majority of working Americans. We are going to be getting into that later this evening.

Last but not least, I hope to return to a brief conversation about the environment. Certainly, we have seen dramatic events around the world that present the problems we have to global climate change in terms of the economic devastation and that assault on human health in terms of what is happening to the environment; and sadly, sadly, this is an area that not only have we not had a series of positive initiatives that could make the world healthier, safer and more economically secure, but sadly, in the course of the last year, we have seen a series of below-the-radar assaults on the environment by this administration, which are going to have profound effects for years to come.

I appreciate the gentleman's courtesy in yielding to me, and I look forward to participating with him and our other colleagues in the course of the evening, painting the context for what the American public needs, deserves, anticipates, and contrasting that with what it appears the administration is going to do and certainly what it has done.

Mr. ALLEN. Mr. Speaker, I thank the gentleman for his comments. In fact, in just a moment after a couple more comments on my part, I would like to ask the gentleman to come down in the well and take my place and control the remaining time, but I did want to add a couple of things.

It is astonishing, when we think back about what happened in the 1990s, to see the agenda that the President will roll out tomorrow. What we learned from the 1990s was if we maintain our fiscal discipline, if the Federal Government works to get rid of deficits, to come roughly into balance, that is our best bet for the future. We have lost that interest. The President and the Republicans in this Congress have lost any interest in maintaining a balanced budget and getting rid of the deficits. In fact, there is an exactly opposite trend here.

We learned in the 1990s, we maintain the balance and we invest in people. We make sure we are contributing to their health care, that we are investing in job training, we are making sure people have the skills for the 21st century, common phrase. We do not hear it anymore because what is happening now is we are not investing. We have stopped increasing support for education. It is being flat funded like other domestic priorities, and it does not matter what the area is. In almost every area, we are basically cutting back on investing in people.

At the same time, we are going back to an era of huge, huge deficits, and why? Well, partly because we have had to make an investment in defense and in homeland security, but primarily because, in fact, we are having tax cut after tax cut after tax cut directed to the wealthiest people in the country. That is not what investing in people means. That is not strengthening our workforce. That is not going to strengthen our economy in the long run.

Basically, tax cuts for the wealthy in the long run simply widen the gap between the very wealthy and everyone else, do not allow us to invest in the future of the way we did during the 1990s with the economic results that we saw in the 1990s and we can see what is happening.

The President will come here tomorrow night, and he will propose a \$674 billion tax cut, again weighted mostly to the wealthy; and I predict almost I think to a certainty that he will also say we have to make the tax cuts that were passed last year permanent, and I guarantee that he will not tell this body and he will not tell the people of this country that that in itself, making those tax cuts permanent, will cost an additional \$600 billion dollar loss of revenue.

We are going to be so deep in deficits for so long that our children and grandchildren will pay the price, and it is hard to understand the morality of borrowing from our kids, borrowing from our grandchildren, forcing them to pay interest on the national debt for decades and decades to come simply in order to satisfy a current desire for tax cuts.

I think it is wrong, and at this time I would like to yield to the gentleman from Oregon, and Mr. Speaker, ask leave that he control the remainder of the time.

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